

2 December 1975

MEMORANDUM FOR: Director of Medical Services

SUBJECT : Improving the Potential of PSS

1. This paper proceeds from three premises. The first is that improved organizational effectiveness should be, and is, a major goal of CIA in the next half of the 70's. The second is that PSS is a resource package with unique potential for greater contribution to that goal than it is now making. The third is that reorganization and staffing changes can substantially enhance that contribution.

This paper spells out those changes, tells why they are needed, and what the expected results should be. No grandiose scheme is proposed. No big expansion is sought. The modest increases in required support merit judgment against expected payoffs--a judgment for senior Agency management to make. The immediate goal of this paper is to invite scrutiny of the proposal and to request such a judgment.

2. The first premise needs no elaboration here. The second premise begins with the observation that the primary objective of the entire Resource Package represented by PSS is improvement of the Agency's utilization of human resources. A

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glance at the functional lay-out of Staff activities and the goal of each makes that clear:

Assessment and Testing Programs aim at getting the right man or woman into the right job and advise management on individual strengths and weaknesses to optimize use.

Counseling Services provide employees with information to enhance self-understanding in respect to the job and enlighten individual decision-making about career paths, aspirations and goal-setting, and in planning for retirement.

Human Factors Research influences the design and structure of work systems and equipment to optimize human mastery and exploitation of the systems for getting the job done.

Job Performance Research seeks to enhance understanding of variables affecting job performance and increase the efficiency of tests, assessments, and other job selection and assignment strategies.

Organizational Consulting Services offer management information, advice, and a variety of tools and services (e.g., attitude surveys, assessment centers, inputs to leadership training) designed to increase managerial understanding of and effectiveness in dealing with people-related problems.

3. Given the common target of each of these activities, the next questions are: How well is each meeting the needs in its area? At what cost effectiveness? How much of the job to be done isn't getting done? And at what cost is the shortfall? These are the questions of program evaluation.

As with all such questions, the search for answers begins with a search for criteria. By what yardstick does one determine how much is enough? Acceptable criteria are hard to

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come by, but there are a number of relevant reference points. One of these is consumer demand.

Like all service components, PSS responds to demands from consumers. In some areas, the demand is insatiable. Presumably, all managers considering an applicant to fill a vacancy or an employee for reassignment desire a maximum of information about the individual under consideration before making a decision. Assessment and testing programs provide useful data. A variety of research studies over the years assures that this is so. But it is literally impossible (or at least, certainly not cost effective) to provide such data in all cases. Hence, decisions have to be made on whom should be assessed, and how intensively. Guidelines are sometimes available here by virtue of the extent of the Agency's investment in the individual and/or the program, and the estimated consequences (cost) of a bad decision. By this standard, an extensive (and costly) assessment program was devised to select pilots for the "I" and "O" programs, while candidates for many other jobs are tested minimally or not at all.

In these days of growing constrictions on resources, decisions on allocation become more critical and the cost of bad decisions goes up. Prudent managers are inclined to insist on more information prior to a personnel decision. This has placed heavier demands on PSS testing and assessment services. Despite the unreliability of consumer demand as an appropriate criterion, judgment holds that increased demands in these circumstances is

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justified. A very modest increase in PSS resources to meet these needs seems warranted.

4. Consumer demand, of course, is an inadequate guideline for resource allocation for reasons other than the fact that people may want more of something than it is cost effective to provide. One obvious one is that there can be no demand for something that nobody knows about. Thus there was no "demand" for an assessment center or an attitude survey or a Levinson Leadership Seminar before the potential of these things had been examined. Yet if all PSS resources had been committed to those activities where the demand was already obvious and pressing, there would have been none left to explore and develop these dimensions on the "cutting edge". And without a cutting edge, a professional staff stagnates. Worse yet, it remains locked onto yesterday's problems and fails to cope with the changing needs of today and tomorrow.

The argument here is not for resources to designate one or more persons as a resident "think tank" to generate new ideas and plan for the future; a competent staff does this on its own. But creativity does not blossom in an overburdened Staff where the weight of on-going programs chokes off the impetus to explore new directions. Thus one criterion in program evaluation ought to be this: Is the unit organized, staffed, and directed in ways which encourage exploration of new ideas? By this standard, PSS has room for improvement.

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5. Along with consumer demand and capacity for change, a third reference point to consider in program evaluation is scope of impact. This question can be asked in various ways in respect to PSS programs and services: Who is affected? How many people? How much weight does the PSS input carry? What are the dollar figures on the decisions affected?

In the early days of PSS and the predecessor A&E Staff, input affected decisions on individual people only. In any given case, a decision to select in or select out a person who may become either a notorious "problem child" or a future DCI may be of great consequence. While the quality of impact of PSS data on such decisions is a question for validity studies (and these studies have consistently supported its use), the extent of impact is a more subtle matter, going beyond mere consumer acceptance. The strategy for utilizing PSS data in relation to other inputs is the key here, and studies of this issue are also a part of our continuing research responsibility. In one such study, a consumer office which believed that it placed great reliance on assessment reports was found to be using a selection strategy in which the assessment report actually had little effect on the hiring decision. (As a result of this study, the strategy was changed.) In general, the evidence suggests that the impact of PSS test and assessment data on selection, assignment, and career development decisions is substantial.

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Even so, the impact of programs geared to decisions about individuals is more limited and entails higher unit costs than programs which affect groups. For this reason, PSS has shifted more of its assets in recent years to such programs, and this philosophy is a keystone of the changes proposed in this paper.

Instead of assessing people in much greater numbers, we propose to concentrate on helping managers to better assess their own people, using, for example, the assessment center technique. Instead of counseling many additional people, we propose to focus on helping line and staff personnel to handle their many and varied counseling responsibilities more effectively. Instead of more consulting on individual management problems, we propose to focus on techniques to help managers identify for themselves and cope with their managerial problems more effectively. Instead of looking at why individual analysts are inefficient or underproductive, we propose more human factors input at the R&D phase of new systems design to make all of the operators of the system more effective. These, we think, are the general routes to greater cost effectiveness.

Some of the vehicles by which we are already implementing this philosophy carry with them substantial evidence of their utility in other settings, and have shown similar promise here. Assessment centers and attitude surveys fit this description. Other organizational development strategies, especially those

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which seek to change managerial behavior through management training in the more formal sense, have been less successful in yielding data convincing of their effectiveness. Nevertheless, we think such avenues merit pursuit also, and are encouraged by such findings as the fact that a substantial proportion of the participants in the first in-house []

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[] could point to specific examples of ways in which this experience had helped them on the job.

In all of these activities, moreover, we intend to utilize our research resources to measure the effectiveness of these efforts as we proceed, and commit ourselves to a search for new ways of gauging the impact on the Agency of such innovations.

6. Perhaps nowhere can the impact and cost effectiveness criteria be applied with more obvious results than in the area of human factors research. Studies now in progress are having, and will have, a direct and critical bearing on decisions involving the future development of multi-million dollar systems destined to become the key intelligence collection/exploitation systems of the 1980's. The minimal in-house assets committed to the human-factors aspects of this work are virtually irreplaceable at any cost, for the basic reason that external (contracted) work in this area at any cost or magnitude cannot be effectively monitored, directed, and utilized without in-house expertise.

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The need for additional support to this effort has been argued elsewhere, and continues to impress us as vital.

Nevertheless, significant enlargement of permanent staff is not necessary to meet these needs. Additional support for special projects should be sought primarily through the funding mechanisms for those projects. The projected TO for the Research Branch reflects this philosophy, and calls for a minimal permanent augmentation of personnel required by the greatly increased demands on this group.

7. These, then, are the reference points--a consideration of consumer demand, recognition of the need to nurture new development, judgments about how to maximize impact and payoff--which framed this review of where we are and where we should be heading.

Our Table of Organization, virtually unchanged in ten years, bears little relationship to present activities and even less to future needs. The discrepancy was so great even two years ago when OP/PMCD undertook a detailed survey of the Staff that the resulting recommendations, sensible and constructive as they were for the most part, still reflected some inevitable confusion. Changes in emphasis and direction since that time have rendered it hopelessly obsolete. It is time to start afresh.

8. Proposed here is a new TO. Simple and functional in design, it proposes only a Chief and three branches, each headed by a Chief of equal grade. No Deputy Chief is designated, as no such position is needed. Any of the three Branch Chiefs can be

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of all, it facilitates development in directions consistent with the needs of the future.

Consolidation of testing, assessment, and counseling functions in a single branch brings together closely related activities requiring similar skills. Creation of an Organizational Consulting Branch gives belated structural identity to a group of functions representing the change from individual-impact to group-impact programs. Together with the significant innovations in our research efforts, they constitute much of that "growing edge" in PSS over the past four years.

While we are pleased and proud of such accomplishments as our counselor training program, the start of assessment centers, the introduction of large-scale attitude surveys, and our various contributions to leadership and management training, the cost of these efforts has been high, in two respects. First, to the efforts themselves, which merited more support in some cases than we were able to provide, and secondly, to our ongoing programs, which suffered from the diversion of talent. Nevertheless, these small beginnings have been worth the price. To develop their potential and to establish these activities as a recognized dimension of PSS service, additional support is essential. The proposed TO provides such support. The Organizational Consulting Branch provides the focus. Since some of these activities have roots closely entwined with other PSS functions, no uprooting or strict compartmentation is contemplated. However, the new Branch will offer the status and direction essential to their development and orderly

integration with other service dimensions.

While research needs in the human factors area have tended to claim the spotlight, more attention to the traditional areas of testing support and job performance research is vitally needed. We know far less than we should about the test characteristics of successful job performers in many Agency jobs. PATB needs to be reexamined and updated, and alternate forms of tests developed. We need to know much more than we do about both test performance and job performance of Agency minority group members, and the relationship between the two.

In the late 1950's when psychological research was focused solely on test development, the Research Branch of the A&E Staff was twice the size of the present PSS Research Branch. One could make a strong case today for two Research Branches, one devoted to test support and job performance and the other to human factors. But experience argues for a consolidated group, incorporating the excellent computer resources and know-how basic to both. It is due to this expertise, in fact, that the very modest augmentation of personnel proposed here will greatly enhance our capability to deal with the whole range of research problems confronting us.

9. The proposed changes, then, are a blueprint for the future. If adopted, full implementation would not, of course, occur overnight. It is suggested, for example, that C/PSS be designated initially as the Acting Chief of the Organizational Consulting Branch, serving until such time as this position can


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be filled from within or without. Budget considerations, obviously will be a major determiner of the rate at which staffing can proceed. But as with any proposal that seeks increased resources under today's conditions of greater resource constriction, judgment of merit rests on a cold, hard look at anticipated pay-off. We ask for that kind of examination.

In other organizations, both in the private and public sectors, resources like those discussed here have served as the primary instrument for improvement in organizational effectiveness. Properly developed and employed, they can play a similar role in CIA.

None of the proposed changes alters the basic mission of PSS. Improvement of the Agency's utilization of its human resources remains the central target. Improvement of PSS's ability to contribute to this end is the goal. That's the starting and ending point of this paper. 25X1A


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